

UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY

| | | |
|---------------------------|---|----------------|
| In the Matter of |) | |
| |) | |
| HELEN CALDWELL, |) | AA-ENF-2023-41 |
| Former Financial Advisor |) | |
| |) | |
| Citibank, N.A. |) | |
| Sioux Falls, South Dakota |) | |
| |) | |

NOTICE OF CHARGES FOR ORDER OF PROHIBITION

Take notice that on a date to be determined by the Administrative Law Judge, a hearing will commence in the District of South Dakota, unless the parties consent to another place, pursuant to 12 U.S.C. § 1818, concerning the charges set forth herein to determine whether an Order should be issued against Helen G. Caldwell (“Respondent”), a former Financial Advisor and dual employee of Citibank, N.A., Sioux Falls, SD (“Citibank”), and Citigroup Global Markets, Inc. (“Brokerage”; Citibank and the Brokerage jointly are “Citi”), by the Comptroller of the Currency (“Comptroller”). Such order would prohibit Respondent from participating in any manner in the conduct of the affairs of any federally insured depository institution or any other institution, credit union, agency or entity referred to in 12 U.S.C. § 1818(e).

The hearing afforded Respondent shall be open to the public unless the Comptroller, in his discretion, determines that holding an open hearing would be contrary to the public interest.

In support of this Notice of Charges for Order of Prohibition (“Notice”), the Office of the Comptroller of the Currency (“OCC”) charges the following:

ARTICLE I

JURISDICTION

At all times relevant to the charges set forth below:

- (1) Citibank was an “insured depository institution” as defined in 12 U.S.C. § 1813(c)(2).
- (2) Respondent was an employee of Citibank and was an “institution-affiliated party” of Citibank as that term is defined in 12 U.S.C. § 1813(u), having served in such capacity within six (6) years from the date hereof. *See* 12 U.S.C. § 1818(i)(3).
- (3) Citibank was a national banking association within the meaning of 12 U.S.C. § 1813(q)(1)(A), and was chartered and examined by the OCC. *See* 12 U.S.C. § 1 *et seq.*
- (4) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q) and is therefore authorized to initiate and maintain this prohibition action against Respondent pursuant to 12 U.S.C. § 1818(e).

ARTICLE II

BACKGROUND

- (5) This Article repeats and re-alleges all previous Articles in this Notice.
- (6) Respondent was a dual employee of Citibank and the Brokerage from June 8, 2012, through November 10, 2021.
- (7) The Brokerage was a registered Brokerage Firm with the Financial Industry Regulatory Authority (“FINRA”).
- (8) During her dual employment with Citibank and the Brokerage, Respondent was a Registered Broker with FINRA.

(9) Respondent was a Financial Advisor. Her role was to collect information about clients' financial condition and goals, and to make recommendations on investments and other financial products that would meet the clients' goals, in the clients' best interests.

(10) Respondent, as a national bank employee, was obligated to carry out her duties and responsibilities in a manner consistent with safe and sound practices. Respondent had a duty to refrain from, directly or indirectly, engaging or participating in any unsafe or unsound practice in connection with any insured depository institution or business institution.

(11) Respondent owed the fiduciary duty of loyalty to Citibank.

ARTICLE III

RESPONDENT ENGAGED IN SELF-DEALING AT THE EXPENSE OF CUSTOMER A, AND CONCEALED HER SELF-DEALING FROM CITIBANK AND THE BROKERAGE

(12) This Article repeats and realleges all previous Articles in this Notice.

Respondent's Outside Business Investment

(13) In or before January 2014, Respondent became fifty-percent owner of Canal Productions, LLC.

(14) When Respondent disclosed her interest in Canal Productions to Citi in June 2015, she identified it as a film production company.

(15) Respondent did not disclose that she was soliciting, or would solicit, investments in Canal Productions from Citibank or Brokerage clients.

(16) Instead, Respondent represented, among other things:

(a) "I have not and will not solicit this investment, nor will I receive any selling compensation from anyone in connection with this investment."

(b) “I will not join with clients nor participate in an investment where the entity, any affiliate, or its principals maintain a client relationship with me.”

(17) When asked “Is [Canal Productions] investment-related? (Yes or No)”

Respondent replied, “It is not a securities related investment activity.”

(18) Thereafter, Respondent never disclosed to Citi:

(a) that she was soliciting, or would solicit, investments in Canal Productions from Citi clients, or

(b) that Canal Productions was “investment-related.”

Respondent’s Self-Dealing at the Expense of Customer A

(19) Customer A¹ was a customer of both Citibank and the Brokerage.

(20) Respondent began serving as Customer A’s Financial Advisor in December 2016.

(21) In and after December 2016, Customer A was an elderly person and may have been particularly vulnerable.

(22) Respondent met with Customer A in person and spoke with her on the phone about her accounts, investments, and financial goals. Respondent noted that Customer A was retired and was interested in living on her Social Security income. Respondent provided Customer A advice about moving her money into different products and accounts.

(23) Respondent began soliciting Customer A to invest in Canal Productions in or around February 1, 2018.

(24) Respondent did not reveal to Citi that she was soliciting Customer A to invest in Canal Productions or that Customer A, in fact, invested.

¹ Customer A’s name and other anonymized information in this Notice will be separately disclosed to Respondent.

(25) Customer A wrote two checks from her Citibank account to Canal Productions on February 1, 2018:

- (a) Check number 4286 for \$75,000. The memo line said “Investments”; and
- (b) Check number 4287 for \$50,000. The memo line said “The Emblem – California Film Investment”.

(26) On February 9, 2018, Citibank Check Fraud Analysis (“Check Fraud”) flagged the \$75,000 check. Check Fraud stated in an email: “We are trying to verify check 4286 \$75,000.00 payable to Canal Producions [*sic*] for [Customer A]. This account has not had a check written on it for over two years. . . . We have no good numbers to call and are requesting assistance from you to verify this check. The account is over drawn as well. We will need to make our decision by 3:30 am eastern time today.”

(27) On the same day, Check Fraud’s email was forwarded to Respondent.

(28) On the same day, Respondent stated that she left Customer A “two messages on her VM” but that Customer A had not returned her call.

(29) On February 10, 2018, Customer A wrote another \$75,000 check to Canal Productions. The memo line said: “The Emblem – Film Replacing Check”.

(30) On February 12, 2018, the \$50,000 check was deposited into Canal Productions’ Citibank account.

(31) On February 13, 2018, Respondent replied again to the forwarded Check Fraud email dated February 9, 2018. Respondent wrote “I also called [Customer A’s] cell number – I did have in on [*sic*] her file. I will try again and follow it up with an email for trail. Thanks for the reminder!”

(32) On March 1, 2018, the replacement \$75,000 check was deposited into Canal Productions' Citibank account.

(33) In June 2018, Citi Personal Wealth Management's Business Risk Control & Supervision component asked Respondent to update her information: "Outside Business Activities – Are you still affiliated with Canal Productions LLC?"

(34) Respondent replied: "Yes, I am still with Canal Productions LLC for the purpose of film production only. The address should be changed from [Address B] to: [Address C]."

(35) From October 18, 2018, through February 2020, Customer A wrote ten checks, totaling approximately \$200,000, from her Citibank account to Canal Productions, as follows:

| Check Date | Check No. | Memo | Amount |
|--------------|-----------|---------------------|---------------------|
| 10/18/2018 | 4314 | Short Film Angst | \$19,500.00 |
| 10/18/2018 | 4315 | Short Film Prisoner | \$23,000.00 |
| 10/18/2018 | 4316 | Cuba Doc. | \$40,000.00 |
| 7/30/2019 | 4366 | Cuba Docu. | \$12,250.00 |
| 8/21/2019 | 4368 | Cuba Docu. | \$13,650.00 |
| 10/14/2019 | 4369 | Production | \$22,500.00 |
| 10/22/2019 | 4370 | Cuba 2020 | \$18,300.00 |
| 1/1/2020 | 4371 | ANKST | \$11,300.00 |
| 1/15/2020 | 4373 | Cuba Doc. | \$23,000.00 |
| 2/15/2020 | 4375 | The Prisoner | \$17,000.00 |
| TOTAL | | | \$200,500.00 |

(36) Respondent deposited, or caused to be deposited, Customer A's checks into a Citibank account held in Canal Productions' name.

(37) Respondent had control over the Canal Productions Citibank account into which Customer A's checks were deposited.

(38) From approximately October 2018 through in and after November 2021, Customer A's payments to Canal Productions allowed Canal Productions to finance, among

other things: direct payments from Canal Productions to Respondent and purported film production costs.

(39) Canal Productions paid Respondent by checks, on or after October 18, 2018, at least \$99,000, as follows:

| Check Date | Check No. | Memo | Amount to Respondent |
|------------|-----------|---|----------------------|
| 10/20/2018 | 3070 | August - reimbursement | \$7,520.00 |
| 11/8/2018 | 3072 | November production (pre) Summer Asso | \$3,000.00 |
| 11/15/2018 | 3075 | Canal Insurance prem | \$1,500.00 |
| 12/17/2018 | 3077 | pre production reimbursement October 2018 | \$6,000.00 |
| 12/16/2018 | 3076 | attorney fees - Benz case | \$1,200.00 |
| 12/27/2018 | 3074 | script purchase reimb Prisoner - partial 2017 | \$5,000.00 |
| 1/20/2019 | 3073 | AT&T | \$797.23 |
| 1/23/2019 | 3084 | January reimb | \$1,800.00 |
| 1/28/2019 | 3085 | Cuba | \$1,000.00 |
| 2/21/2019 | 3086 | pre-pro Cuba Docum - PE A/C | \$9,375.00 |
| 3/7/2019 | 3087 | pre production xpenses | \$4,565.00 |
| 6/30/2019 | 3091 | reimb production materials/promo | \$3,000.00 |
| 8/10/2019 | 3093 | reimbursement - Angst comm. svcs. | \$1,941.50 |
| 9/6/2019 | 3096 | 2019 1/2 location/ Canal office Reimb. Cuba Doc | \$5,000.00 |
| 9/20/2019 | 3099 | Insurance - production | \$2,500.00 |
| 10/26/2019 | 3100 | production fee / props | \$7,000.00 |
| 10/27/2019 | 3108 | reimbursement cuba documentary | \$5,300.00 |
| 10/31/2019 | 3111 | Ent. Reimburse | \$1,250.00 |
| 10/31/2019 | 3113 | pre production NK3 Cuba | \$750.00 |
| 11/19/2019 | 3092 | reimbursment - office ANKST | \$6,000.00 |
| 12/1/2019 | 3116 | reimbursment: production cost Ankst | \$5,500.00 |
| 2/1/2020 | 3120 | Reimbursement - | \$5,468.59 |
| 2/20/2020 | 3121 | invoice - reimbursement #022020 | \$994.79 |

| Check Date | Check No. | Memo | Amount to Respondent |
|--------------|-----------|---|----------------------|
| 2/25/2020 | 3123 | production reimbursement cast/crew recruitment | \$6,000.00 |
| 4/1/2020 | 3127 | reimburse - Ankst composer | \$3,000.00 |
| 4/15/2020 | 3130 | production reimbursement cost/partial 3000/4000 Angst | \$3,000.00 |
| 5/1/2020 | 3132 | reimb \$900 - \$100 - | \$1,000.00 |
| TOTAL | | | \$99,462.11 |

(40) Respondent's advice, as memorialized in her notes to Customer A's file, was subject to oversight within Citi to ensure it was suitable for Customer A and in Customer A's best interests.

(41) Respondent knew her advice was subject to such oversight.

(42) Respondent did not note in Customer A's file that she advised Customer A to invest in Canal Productions or that Customer A did invest in Canal Productions.

(43) While Respondent was a dual employee of Citibank and the Brokerage, Citi policies prohibited her conduct described above.

(44) From 2018 through 2020, Respondent made an annual certification attesting that she read, understood, and would comply with Citi policies prohibiting her conduct described above.

(45) Respondent's annual certifications from 2018 through 2020 were false.

(46) Respondent resigned on November 10, 2021.

ARTICLE IV

LEGAL BASES FOR REQUESTED RELIEF

(47) This Article repeats and realleges all previous Articles in this Notice.

(48) The Brokerage was a “business institution” for purposes of 12 U.S.C.

§ 1818(e).

(49) By reason of Respondent’s misconduct as described in Article III, the OCC seeks an Order of Prohibition against Respondent pursuant to 12 U.S.C. § 1818(e) on the following grounds:

(a) Respondent directly or indirectly engaged or participated in unsafe or unsound practices in connection with Citibank and/or the Brokerage, and/or breached her fiduciary duty to Citibank;

(b) By reason of Respondent’s misconduct, Citibank and/or the Brokerage has suffered or will probably suffer financial loss or other damage, the interests of Citibank’s depositors have been or could be prejudiced, and/or Respondent received financial gain or other benefit; and

(c) Respondent’s unsafe or unsound practices and/or breaches of fiduciary duty involved personal dishonesty on her part, and/or demonstrated willful or continuing disregard by Respondent for the safety or soundness of Citibank and/or the Brokerage.

ARTICLE V

ANSWER AND OPPORTUNITY FOR HEARING

Respondent is directed to file a written Answer to this Notice within twenty (20) days from the date of service of this Notice in accordance with 12 C.F.R. § 19.19(a) and (b). The

Answer shall be filed with the Office of Financial Institution Adjudication, 3501 North Fairfax Drive, Suite VS-D8113, Arlington, Virginia 22226-3500. Respondent is encouraged to file any Answer electronically with the Office of Financial Institution Adjudication at ofia@fdic.gov. A copy of any Answer shall also be filed electronically with the Hearing Clerk, Office of the Chief Counsel, Office of the Comptroller of the Currency, 400 7th Street SW, Washington, D.C. 20219, HearingClerk@occ.treas.gov, and with the attorney whose name appears on the accompanying certificate of service. **Failure to Answer within this time period shall constitute a waiver of the right to appear and contest the allegations contained in this Notice, and shall, upon the OCC's motion, cause the administrative law judge or the Comptroller to find the facts in this Notice to be as alleged, upon which an appropriate order may be issued.**

PRAYER FOR RELIEF

The OCC prays for relief in the form of the issuance of an Order of Prohibition pursuant to 12 U.S.C. § 1818(e) against Respondent.

Witness, my hand on behalf of the OCC.

//s// Digitally Signed, Dated: 2023.10.13

Michael T. McDonald
Deputy Comptroller for Large Bank Supervision